

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE LETCHER COUNTY WATER)
AND SEWER DISTRICT FOR A CERTIFICATE OF)
CONVENIENCE AND NECESSITY TO CONSTRUCT A) CASE NO.
WATERWORKS IMPROVEMENTS PROJECT) 2008-00273
PURSUANT TO KRS 278.020 AND 278.300)

O R D E R

Letcher County Water and Sewer District ("Letcher County") has applied for a Certificate of Public Convenience and Necessity ("CPCN") for a waterworks improvement project at an approximate total project cost of \$880,235. Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. Letcher County proposes to construct approximately 6 miles of 8-inch through 3-inch water distribution mains, a hydropneumatic water booster pumping station, and related appurtenances to provide service to approximately 125 new customers.
2. This project will be constructed northwest of Whitesburg, Kentucky in the Smoot Creek area of Letcher County.
3. The construction is in the public interest and will provide water service to new users who currently rely on wells, cisterns, and springs for potable water.
4. Letcher County proposes to fund the project from the proceeds of a Kentucky Coal Severance grant in the amount of \$750,000 and a contribution from the Letcher County Fiscal Court in the amount of \$130,235 which does not require approval under KRS 278.300.

5. Bell Engineering of Lexington, Kentucky prepared the drawings and specifications for the proposed project.

6. The Division of Water of the Kentucky Energy and Environment Cabinet has approved the plans and specifications for the proposed project.

7. The public convenience and necessity require the construction of the proposed improvements.

IT IS THEREFORE ORDERED that:

1. Letcher County is granted a CPCN to proceed with the proposed construction as set forth in its application.

2. Letcher County shall notify the Commission prior to performing any additional construction not expressly authorized by this Order.

3. Any deviation from the construction approved shall be undertaken only with the prior approval of the Commission.

4. Letcher County shall furnish documentation of the total costs of this project including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed. Construction costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

5. Letcher County shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

6. Letcher County shall require construction to be inspected under the general supervision of a licensed professional engineer with a Kentucky registration in civil, electrical, or mechanical engineering, to ensure that the construction work is done in accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

7. Letcher County shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 5(1), Letcher County shall take immediate action to maintain the level of service in conformance with the regulations of the Commission.

Done at Frankfort, Kentucky, this 8th day of October, 2008.

By the Commission

ATTEST:


Executive Director *for Stephanie Stumbo*
w/permission